



City of Miami Springs, Florida

The Miami Springs City Council held a **WORKSHOP MEETING** in the Council Chambers at City Hall on Wednesday, July 8, 2009, at 7:30 p.m.

1. Call to Order/Roll Call

The meeting was called to order at 7:43 p.m.

The following were present:

Mayor Billy Bain
Vice Mayor Bob Best
Councilman Daniel Espino
Councilman George V. Lob

Absent:

Councilwoman Jennifer Ator

Also Present:

City Manager James R. Borgmann
Assistant City Manager Ronald K. Gorland
Finance Director William Alonso
Comptroller Alicia E. González
City Clerk Magalí Valls
Deputy City Clerk Suzanne S. Hitaffer

2. Fiscal Year 2009-2010 Budget Workshop

Mayor Bain asked to review major equipment purchases for each department.

The Mayor also mentioned that there had been some discussion about hiring a permanent Building Official.

City Manager Borgmann confirmed that funds were in the budget for the Building Official totaling \$124,000.

Finance Director Alonso addressed the following personnel issues:

- a) The Finance Department had eliminated one part-time position and established a Procurement Specialist position to manage all city-wide procurement services, which is a savings of approximately \$13,000.
- b) The Sanitation Department will replace the sanitation foreman position (due to the retirement of the current employee) with an administrative position generating a net payroll reduction, or a savings of \$19,000.
- c) The Public Works Properties Division has one vacant Maintenance Worker position that is currently being funded and is projected to be filled in next year's budget. The total cost with benefits is approximately \$43,000.
- d) The Recreation budget includes a Director position at a salary base of up to \$85,000 plus benefits.
- e) The Building and Code Department is re-establishing a full time Building Official position at \$100,000 per year, and is not funding a vacant administrative position. The Building Official is a break even change, however it will provide more working hours since the current position is part-time. The savings from the unfunded position is approximately \$50,000.
- f) The Police Department is eliminating an open part-time clerical position and is also maintaining two unfunded police officer positions which have been unfunded since Fiscal Year 2007-2008. This is a savings of approximately \$135,000.
- g) The IT Department is converting a part-time position to a full time position at an additional cost of \$28,000 plus benefits.

Mayor Bain requested an explanation of the duties for the extra position. He suggested that the starting pay for the Building Official could be reduced to \$80,000.

Councilman Espino stated that it might be possible to find a Recreation Director for less than \$85,000.

City Manager Borgmann explained that the advertisements for the position of Recreation Director had not attracted people with solid recreation backgrounds.

Finance Director Alonso stated that the proposed budget does not include COLA or merit increases for Department heads, Assistants, Assistant City Manager or City Manager. There are no budgeted COLA increases for general employees and police. The budget assumes a 14% increase for health insurance, representing \$84,852 in additional costs. Workers compensation and liability insurance costs are budgeted to decrease based on estimates from the Florida League of Cities.

Vice Mayor Best said that he would like to give consideration to the creation of a position for a Director of Performing Arts.

City Manager Borgmann referred to the proposal from Ralph Wakefield as outlined on page E-10 of the agenda materials.

Mayor Bain suggested eliminating merit increases and giving all employees a COLA increase.

Finance Director Alonso explained that merit increases total \$73,000, including \$40,000 for Police and the remainder is for general employees. The recommendation for COLA is 2% for employees who earn up to \$50,000 and 1% for employees earning \$50,000 to \$75,000. There is no COLA budgeted for employees earning over \$75,000.

Mayor Bain asked how many employees would qualify for merit increases.

Finance Director Alonso responded that there are 33 employees not including police.

Finance Director Alonso referred to the Capital equipment listed on page D-1 for General Fund departments. Information Technology is requesting \$38,600; Police is requesting \$229,600 including replacement vehicles and motorcycles; Public Works Building Maintenance is requesting \$50,000 to replace the fire alarm system for City Hall; the Golf Course is requesting \$92,000 for three pieces of equipment that will be leased over a 5-year period and the debt service is included in the budget.

Mayor Bain asked if the equipment for the Golf Course is new or replacement equipment.

Finance Director Alonso confirmed that the aerator is a new piece of equipment and the other two pieces are replacements. He explained that City Staff is proposing to do the aeration instead of contracting out the service

Councilman Lob requested a cost analysis to show how much the City would save by doing the aeration.

Councilman Espino inquired about the cost of the irrigation system for the golf course.

City Manager Borgmann clarified that the current estimate for the irrigation system is \$1.3MM.

Finance Director Alonso explained different budget options as follows:

Option 1 would have the City using the rollback rate of 6.6928, providing the same level of services currently provided, with no personnel cutbacks.

Option 2 used \$339,110 from the FEMA reimbursement funds to pay for all the capital expenditures in the General Fund, reducing the millage to 6.6023.

Option 3 uses the current millage rate of 6.4301, but the City would have a shortfall of \$501,112. If selected, the City would have to use part of the FEMA funds or come up with budget reductions or a combination of the two.

Option 4 uses \$339,110 of the \$825,000 in additional FEMA reimbursement funds to pay for the capital expenditures, and by using the rollback rate of 6.9628, the City would generate a surplus of \$239,011 and the excess funds can be utilized to purchase all the capital equipment.

Finance Director Alonso stated that Option 5 is based on using the entire hurricane excess of \$825,000 and lowering the millage rate to 6.0858 in order to balance the budget

Mayor Bain would like to have a simpler format for each division so that all expenditures are shown outside of the budget. He felt that it would be helpful to know how much each piece of equipment costs and to know how much the millage rate can be lowered by eliminating expenditures. Vice Mayor Best asked if it is possible to lease the equipment for the Golf course.

Finance Director Alonso explained that this particular equipment could not be leased.

Mayor Bain recalled that when the City first purchased the Golf Course that money was lost on equipment leasing.

Mr. Alonso explained that budget workshops are held in August and Council will receive budget workbooks showing the budgets for all departments and a breakdown of capital equipment expenses on a line item basis. He will provide a summary of the budget requests and questions will be answered. He will create a format as suggested by Mayor Bain.

Mayor Bain stated that he would like to maintain the lowest millage rate possible and have a wish list of major items in order to be able to analyze each expense.

City Manager Borgmann stated that the original estimate for the tentative millage rate was a little more than 7.00 and this was reduced to 6.9628 after the assessments were received. The current millage rate of 6.4305 generated a certain amount and the rollback rate of 6.96 will generate the same amount of tax dollars due to lower assessed values.

Councilman Espino stated that the excess hurricane funds would be put into the General Fund as opposed to the Mayor's suggestion of including the items separately on a wish list.

Finance Director Alonso clarified that the hurricane funds would go into the fund balance for the General Fund and it would be Council's decision whether or not to use those funds as a revenue source to help balance the budget.

Mayor Bain recommended budgeting half of the \$900,000 in order to be conservative.

City Manager Borgmann stated that Councilman Lob reviewed the information he was given on municipal financing and he made a comment that one-time revenue sources should not be used for budget purposes. During normal times this is good methodology, but the current economic times are strange and this unexpected surplus can be used to help lower the taxes.

Councilman Lob commented that he wanted everyone to be cognizant of the fact about one-time revenue sources.

Councilman Espino stated that the current economic situation is unusual and his concern is how long it is going to last.

Mayor Bain said that there is an opportunity to use the excess funds in order to maintain operations and it is important to make sure residents do not have to pay as much money under the current economic situation.

Finance Director Alonso reminded Council that on July 30, 2009 at 5:01 p.m. a meeting will be held to set the tentative millage rate. He asked if Council wanted to set the tentative millage at the roll back rate of 6.96 for the resolution.

Mayor Bain and Vice Mayor Best answered affirmatively. Councilman Lob was concerned that the roll back rate of 6.9 might not be high enough to generate enough revenue to work with.

City Manager Borgmann commented that taxes are 50% of the total revenues and the remaining amount is generated from other sources. He explained that the City would be getting estimates of what funding is expected from state revenue sharing and sales taxes. If there are any gross changes to those numbers they will have to be made up somehow.

Finance Director Alonso confirmed that he had received the state estimates and the numbers were built into the budget.

Mayor Bain suggested setting the millage rate at the roll back rate.

Councilman Espino stated that he was reviewing the wish list and noticed there was no allocation of funds for Downtown events as part of the commercial revitalization efforts.

Finance Director Alonso clarified that the Council budget included \$20,000 for events at the Circle.

Mayor Bain said that he wanted funds in the budget for the Fourth of July entertainment, including the rental of a tent, tables and chairs. The Optimist and Lions Club helped prepare the food and it was unfortunate that people had to stand in the heat and eat.

Councilman Espino stated that the City funds the fireworks show with help from Virginia Gardens and the show lasts eighteen minutes. Some shows have music and this allows the allocation of the same amount of fireworks over a longer amount of time. This would require an FM modulator and everyone with a boom box would have their own sound system.

Councilman Espino said that another issue he would like to address is the electrical power on the Circle because there had been many complaints from the festival participants that there are no 220 volt outlets. He would like to investigate the cost of upgrading the service.

Councilman Lob would like the City to donate \$2,000 towards the cost of the food for the Fourth of July event.

Fourth of July Parade/Car Show

Mayor Bain complimented Staff for planning a great Fourth of July parade.

Councilman Espino stated that the Car Show was also a tremendous event with a great turn out. He thanked the residents for making his Fourth of July enjoyable.

Councilman Lob regretted missing the Car Show but heard from everyone that it was a tremendous event.

Mayor Bain thanked Programs Supervisor Patti Bradley and former Councilman Jim Caudle who was the Grand Marshal of the parade.

Annexation

The Mayor added that the Board of County Commissioners voted 10-0 to move annexation forward.

City Manager Borgmann stated that he spoke with the representative from Commissioner Sosa's office and they are encouraging Doral to speed up their process so that all four cities have a joint resolution.

Congratulations

Mayor Bain congratulated Councilman Lob and his wife Nora on their 20th wedding anniversary.

Ludlam Drive Tree Removal Project

Vice Mayor Best reported that Bob Calvert and Paul Bithorn walked the entire length of Ludlam Drive and identified every tree that should be saved with their scientific names. He thanked both of them for their hard work.

Mayor Bain thanked City Manager Borgmann for allowing Mr. Calvert and Mr. Bithorn to be involved. He also thanked the County for agreeing to work around the specimen trees.

3. Adjourn.

There being no further business to be discussed the meeting was adjourned at 8:32 p.m.

Billy Bain
Mayor

ATTEST:

Magalí Valls, CMC
City Clerk

Approved as written during meeting of: 8/10/2009.

Transcription assistance provided by S. Hitafer.